

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED
GOVERNMENT OF LAFAYETTE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 07 2013

LAFAYETTE REGIONAL AIRPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities and the major fund of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Lafayette Regional Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, in all material respects, the respective financial position of the business-type activities and the major fund of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Regional Airport's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The remaining supplementary information as listed in the table of contents is presented for purposes of additional analysis and is also not a required part of the financial statements. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2013, on our consideration of the Lafayette Regional Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette Regional Airport's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

April 19, 2013
Lafayette, Louisiana

**LAFAYETTE REGIONAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

The following Management Discussion and Analysis (MD&A) provides an overview of the Lafayette Regional Airport's activities and financial performance for the fiscal year ended December 31, 2012.

AIRPORT ACTIVITIES & HIGHLIGHTS

- Lafayette Regional Airport had its best year on record. In 2012 the Lafayette Regional Airport's enplanements were 231,352 and deplanements were 227,767. Cargo operations also remained strong with over 24,390,729 lbs passing through the airport during 2012. Despite multiple airline mergers and a national trend of reducing and streamlining flights for non-Hub airports, Lafayette Regional Airport's numbers defy the national trend and hold steady for another year.
- As for flight loads, Delta flights to Atlanta lead the way with 87% of outgoing seats filled, followed by United to Houston flights with 78% and American Eagle flights to Dallas with a 77% load factor in 2012. In addition, the Airport continues to work with other carriers to bring additional service to the Lafayette area for new destinations.
- In accordance with Federal Aviation Regulations (FAR 139), Lafayette Regional Airport conducted a full-scale emergency plan exercise in March 2012. This disaster drill is scheduled every three years. There were multiple agencies involved in this exercise, including local fire and police departments, Office of Emergency Preparedness, Red Cross, TSA, local hospitals and victim volunteers.
- In September of 2012, the Lafayette Airport Commission held its 22nd Annual Aviation Fun Day. There were nearly 250 people that attended and enjoyed a tour of the airport grounds, a great lunch and numerous contests with prizes awarded.
- Projects that were completed in 2012 include the overlay for Runway 4L/22R and RSA improvements with the relocation of NAVAIDS, as well as the installation of an Engineered Material Arresting System (EMAS). Other significant projects completed include the Grissom Drive parking lot overlay, pavement repairs to 118 Sheperd Dr., an airport-wide Security System upgrade, and Landscape Beautification along Surrey St., Blue Blvd. and Terminal Dr.
- Several projects still in progress at the end of 2012 include Phase II of the NGA Apron Improvements, the installation of a dual passenger boarding bridge, a Part 150 Noise Impact Study, updating the Airport's Master Plan, and future terminal expansion. These projects are designed to enhance overall safety, as well as the help determine future growth and capacity of Lafayette Regional Airport.
- Several projects in the design phase and scheduled to begin in 2013 include the construction of a Cargo Facility, the design and construction of Taxiway Mike to facilitate future tenant infrastructure, the seal coating of all taxiways, as well as a Benefit Cost Analysis for Runway Safety Improvements for RW 11/29. Also, other Capital projects planned for 2013 include an Airport Layout Plan Update, the design of an extension and rehab of Perimeter Road, Terminal Signage Improvements and interior upgrades to the Terminal. These projects are also designed to improve the overall safety and the capacity of the airport.

**LAFAYETTE REGIONAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

FINANCIAL HIGHLIGHTS

- ➔ Operating Revenues rose by over 5% going from \$7.93 million to \$8.33 million. The increase was due mostly to increases of 14% in Rental Cars, 13% in Landing Fees, and 9% in Land and Non-Terminal Facility rents.
- ➔ Operating Expenses increased modestly from 2011 changing from \$10.58 million to \$11.28 million due primarily to an increase in Depreciation. A slight increase in Security Costs was offset by decreases in both Professional Fees and Insurance Costs for the year.
- ➔ Non-Operating Income (Expenses), excluding capital grants reported as income, changed from a net income of \$2,776,935 in 2011 to a net income of \$2,933,266 in 2012. This category reports a 6.4% increase in ad valorem taxes collected over 2011.
- ➔ Net assets of our business-type activity increased by approximately \$9.76 million or 9%, compared to an 11% increase in 2011 and a 10% increase in 2010.
- ➔ Additional funding for Airport operations is received through ad valorem tax revenue. In 2012 the Airport received approximately \$2.93 million in revenues which is a slight increase over the \$2.75 million in 2011.
- ➔ Capital grants, funds, and contributions received in 2012 were \$9,728,977 compared to \$12,632,154 in 2011. These grants are directly related to the various Airport Improvement Program grants which are funded at the federal and state level and fluctuate from year to year dependent upon the funding and schedules of the Airport's capital projects.

USING THIS REPORT

Reporting the Airport as a Whole

The Statement of Net Assets reports information about the Airport as a whole and about its activities in a way that helps answer the question "Is the Airport as a whole better or worse off as a result of the year's activities?" This statement includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

This statement reports the Airport's net assets and changes in them. Net assets (the difference between assets and liabilities) are one way to measure the Airport's financial health, or financial position. Over time, increases or decreases in the Airport's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Airport's property tax base and millage rates, as well as capital grant awards, to assess the overall health of the Airport.

In the Statement of Net Assets, we report the Airport by activity. The Airport's only operation is that of Airport Services which represents the fees charged to customers to help cover most of the cost of the services provided. The property tax revenue is also reported in this fund since it is dedicated to the operations and maintenance of the Airport.

**LAFAYETTE REGIONAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

Reporting the Airport's Significant Funds

At the recommendation of the Louisiana Legislative Auditor's Office, the Airport dissolved the General Fund at the beginning of the 2007 fiscal year. The revenues and expenditures that were previously reported within the General Fund are now included in the Proprietary Fund financial statements. Following is a description of the Proprietary Fund:

- ➔ Proprietary Fund - When the Airport charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The Airport's proprietary fund is the same as the business type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

THE AIRPORT AS A WHOLE

The Airport's net assets increased in the current year, from \$104.5 million to \$114.3 million. This increase is due to the business-type activities, which accounts for the operations of the Airport. The increase is due to the growth in the invested capital assets net of related debt category of \$9,686,969. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Airport's business-type activities.

CAPITAL ASSET AND LONG-TERM DEBT

Capital Assets

At the end of December 31, 2012, the Airport had \$96.2 million invested in capital assets, net of related debt, including all equipment, land and buildings. This represents a significant net increase of \$9.6 million, or 11%, over the 2011 amount of \$86.5 million.

During 2012, the airport expended \$18.7 million on capital activities. This included funds spent for the mapping of the Storm Water Drain system, the construction of the Cargo Apron and connecting taxiways, and the Runway Safety Improvements for 4R/22L with EMAS.

Other improvements and acquisitions in 2012 included the following: a Wildlife Hazardous Assessment, Part 150 Noise Impact Study, and an overlay for RW 4L/22R, a Security System upgrade, a Landscape Beautification project along Surrey St. and Blue Blvd., future terminal expansion, design and installation of a dual passenger boarding bridge, and an overlay for the Grissom Drive and Sheperd Drive parking lots. Acquisitions and improvements are generally funded using a variety of financing methods, including Federal grants with matching State grants, passenger facility charges, debt issuance, capital outlay funds, EDA Grants, and Airport revenues.

**LAFAYETTE REGIONAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

Debt

During 2011, the Airport completely paid out all taxable and nontaxable bonds outstanding. The Lafayette Airport Commission is currently without debt.

ECONOMIC FACTORS

The business-type activities will see changes due to economic factors as well as continued capital improvements funded by various grants. Several of the economic factors considered in the budgetary process were:

- ➔ The economic environment of the airline industry as a whole including the continued increase in the cost of fuel.
- ➔ Consumer price index adjustments, which allows for increases in rental charges to tenants of the Airport.
- ➔ Escalating costs of operations including insurance, professional and other contractual services.

REQUEST FOR INFORMATION

This financial report is written to provide a general overview of the Lafayette Regional Airport's financial position for all interested parties and to show the Airport's accountability for the money it receives. Questions concerning any of the information in the report should be addressed in writing to the Financial Officer, Lafayette Regional Airport, 222 Tower Drive, Lafayette, LA 70508.

Table 1
NET POSITION

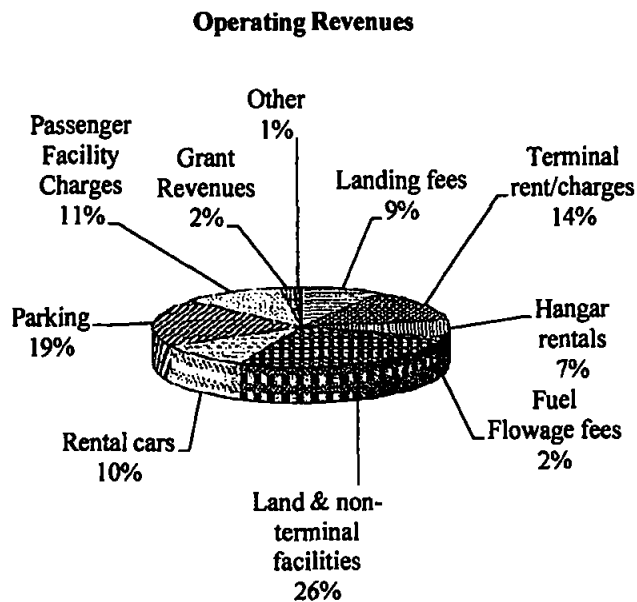
	Business-type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
ASSETS:				
Current assets	\$ 21,516,678	\$ 18,888,076	\$ 21,516,678	\$ 18,888,076
Capital assets	96,227,284	86,130,274	96,227,284	86,130,274
Non-current assets	<u>114,553</u>	<u>2,702,374</u>	<u>114,553</u>	<u>2,702,374</u>
TOTAL ASSETS	<u><u>\$ 117,858,515</u></u>	<u><u>\$ 107,720,724</u></u>	<u><u>\$ 117,858,515</u></u>	<u><u>\$ 107,720,724</u></u>
LIABILITIES:				
Long-Term Debt Outstanding	\$ -	\$ -	\$ -	\$ -
Other Liabilities	<u>3,558,949</u>	<u>3,180,394</u>	<u>3,558,949</u>	<u>3,180,394</u>
Total Liabilities	<u><u>3,558,949</u></u>	<u><u>3,180,394</u></u>	<u><u>3,558,949</u></u>	<u><u>3,180,394</u></u>
NET POSITION:				
Invested in capital assets, net of debt	96,227,284	86,540,315	96,227,284	86,540,315
Restricted	114,553	2,356,061	114,553	2,356,061
Unrestricted	<u>17,957,729</u>	<u>15,643,954</u>	<u>17,957,729</u>	<u>15,643,954</u>
Total Net Position	<u><u>114,299,566</u></u>	<u><u>104,540,330</u></u>	<u><u>114,299,566</u></u>	<u><u>104,540,330</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 117,858,515</u></u>	<u><u>\$ 107,720,724</u></u>	<u><u>\$ 117,858,515</u></u>	<u><u>\$ 107,720,724</u></u>

Table 2
CHANGES IN NET POSITION

	Business-type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues				
Program revenues:				
Charges for services	\$ 8,224,273	\$ 7,795,963	\$ 8,224,273	\$ 7,795,963
Operating grants	115,338	134,859	115,338	134,859
Capital grants and Contributions	9,728,977	12,632,154	9,728,977	12,632,154
General revenues:				
Property taxes	2,917,559	2,741,730	2,917,559	2,741,730
State revenue sharing	15,707	15,707	15,707	15,707
Investment earnings	42,547	19,498	42,547	19,498
Gain on sale of assets	-	-	-	-
Total revenues	<u>21,044,400</u>	<u>23,339,912</u>	<u>21,044,400</u>	<u>23,339,912</u>
Program expenses				
Administration	1,490,073	1,468,957	1,490,073	1,468,957
Telephones & Utilities	377,636	389,579	377,636	389,579
Supplies & Materials	83,558	85,511	83,558	85,511
Repairs & Maintenance	1,199,348	1,202,751	1,199,348	1,202,751
Security	751,032	719,619	751,032	719,619
ARFF	628,760	627,164	628,760	627,164
Professional Fees	407,565	436,796	407,565	436,796
Insurance	319,929	344,304	319,929	344,304
Contractual Services	740,441	751,475	740,441	751,475
Depreciation	5,290,287	4,556,167	5,290,287	4,556,167
Interest Expense	-	30,240	-	30,240
Bad Debt Expense	-	-	-	-
Total expenses	<u>11,288,629</u>	<u>10,612,563</u>	<u>11,288,629</u>	<u>10,612,563</u>
Increase in Net Position	<u>\$ 9,755,771</u>	<u>\$ 12,727,350</u>	<u>\$ 9,755,771</u>	<u>\$ 12,727,350</u>

Table 3
REVENUES

The following chart shows the major sources and percentage of operating revenues of the proprietary fund for the years ended December 31, 2012 and December 31, 2011:



Operating Revenues:

	2012	2011	Increase (Decrease) from 2011	Percent Increase (Decrease)
Landing fees	\$ 746,642	\$ 656,873	\$ 89,769	13.7%
Terminal rent/charges	1,119,958	1,047,178	72,780	7.0%
Hangar rentals	581,358	694,479	(113,121)	-16.3%
Fuel Flowage fees	127,841	140,592	(12,751)	-9.1%
Land & non-terminal facilities	2,161,447	1,982,592	178,856	9.0%
Rental cars	864,682	756,706	107,976	14.3%
Parking	1,605,595	1,552,657	52,938	3.4%
Passenger Facility Charges	943,672	908,027	35,645	3.9%
Grant Revenues	115,338	134,859	(19,521)	-14.5%
Other	73,076	56,859	16,218	28.5%
Total Operating Revenues	8,339,611	7,930,822	408,788	5.2%

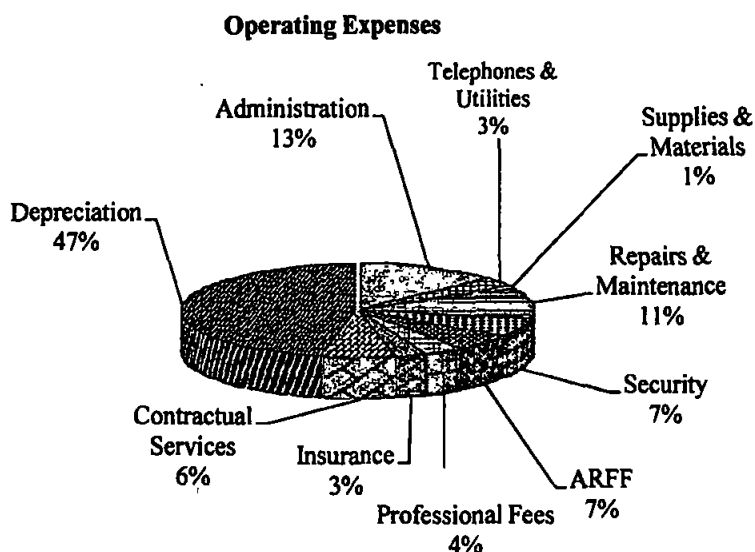
Non-Operating Revenues:

Interest Income	42,547	19,498	23,048	118.2%
Operation & Maintenance Tax	2,933,266	2,757,437	175,828	6.4%
Capital Grants and Contributions	9,728,977	12,632,154	(2,903,177)	-23.0%
Total Non-Operating Revenues	12,704,789	15,409,090	(2,704,301)	-17.6%

TOTAL REVENUES	\$ 21,044,400	\$ 23,339,912	\$ (2,295,513)
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**Table 4
EXPENSES**

The following chart shows the major sources and percentages of operating expenses of the proprietary fund for the years ended December 31, 2012 and December 31, 2011:



Operating Expenses:

	2012	2011	Increase (Decrease) from 2011	Percent Increase (Decrease)
Administration	\$ 1,490,073	\$ 1,468,957	\$ 21,116	1.4%
Telephones & Utilities	377,636	389,579	(11,943)	-3.1%
Supplies & Materials	83,558	85,511	(1,953)	-2.3%
Repairs & Maintenance	1,199,348	1,202,751	(3,403)	-0.3%
Security	751,032	719,619	31,413	4.4%
ARFF	628,760	627,164	1,596	0.3%
Professional Fees	407,565	436,796	(29,231)	-6.7%
Insurance	319,929	344,304	(24,375)	-7.1%
Contractual Services	740,441	751,475	(11,034)	-1.5%
Depreciation	5,290,287	4,556,167	734,120	16.1%
Total Operating Expenses	11,288,629	10,582,323	706,306	6.7%
Non-Operating Expenses:				
Interest expense	-	30,240	(30,240)	-100.0%
Total Non-Operating Expenses	-	30,240	(30,240)	-100.0%
TOTAL EXPENSES	\$ 11,288,629	\$ 10,612,563	\$ 676,066	

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 15,977,690
Accounts Receivable	398,289
Ad Valorem Tax Receivable	908,683
Due From Sheriff	1,756,377
Grant Funds Receivable	2,174,795
Prepays	<u>300,844</u>

Total Current Assets	<u>21,516,678</u>
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RESTRICTED ASSETS

Cash	
PFC Funds	<u>114,553</u>

Total Restricted Assets	<u>114,553</u>
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PROPERTY AND EQUIPMENT

Property and Equipment	148,678,947
Land	5,491,076
Construction in Progress	<u>22,549,418</u>
Total	176,719,441
Less: Accumulated Depreciation	<u>(80,492,157)</u>

Net Property and Equipment	<u>96,227,284</u>
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TOTAL ASSETS	<u>\$ 117,858,515</u>
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The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2012

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable	\$ 3,158,475
Accrued Expenses	45,598
Deferred Tax Revenue	<u>231,209</u>
Total Current Liabilities	<u>3,435,282</u>

CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Security Deposits	<u>53,419</u>
Total Current Liabilities Payable From Restricted Assets	<u>53,419</u>

NON-CURRENT LIABILITIES

Accrued Compensated Absences	<u>70,248</u>
Total Non-Current Liabilities	<u>70,248</u>

TOTAL LIABILITIES	<u>3,558,949</u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	96,227,284
Expendable:	
Restricted for PFC Projects	114,553
Unrestricted	<u>17,957,729</u>
TOTAL NET POSITION	<u>114,299,566</u>

TOTAL LIABILITIES AND NET POSITION	<u>\$ 117,858,515</u>
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The Accompanying Notes are an Integral Part of These Statements.

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

OPERATING REVENUES

Rentals	\$ 4,725,646
Commissions	127,841
Landing Fees	746,642
Parking Tolls	1,605,595
Passenger Facility Charges	943,672
Grant Revenues	115,338
Miscellaneous	91,106
Total Operating Revenues	<u>8,355,840</u>

OPERATING EXPENSES

Salaries and Costs of Employment	1,509,772
Supplies	83,558
Other Services and Charges	4,421,240
Depreciation	5,290,287
Total Operating Expenses	<u>11,304,857</u>

OPERATING LOSS (2,949,017)

NON-OPERATING REVENUES (EXPENSES)

Interest Income	43,564
Grant Revenue	9,728,977
Ad Valorem Tax Revenue	2,888,589
State Revenue Sharing	47,123
Total Non-Operating Revenues (Expenses)	<u>12,708,253</u>

INCREASE IN NET POSITION 9,759,236

NET POSITION, BEGINNING 104,540,330

NET POSITION, ENDING \$ 114,299,566

The Accompanying Notes are an Integral Part of These Statements.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received From Providing Services	\$ 8,067,240
Cash Paid to Suppliers	(3,968,129)
Cash Paid to Employees	<u>(1,502,301)</u>

Net Cash Provided By Operating Activities	\$ 2,596,810
---	--------------

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Interest Received	<u>43,564</u>
------------------------------	---------------

Net Cash Provided By Investing Activities	43,564
---	--------

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Ad Valorem Tax Revenue	<u>2,531,050</u>
------------------------	------------------

Net Cash Provided By Non-Capital Financing Activities	2,531,050
---	-----------

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Capital Grants Received	9,868,460
Acquisition and Construction of Fixed Assets	<u>(15,387,599)</u>

Net Cash Used In Capital and Financing Activities	<u>(5,519,139)</u>
---	--------------------

NET DECREASE IN CASH AND CASH EQUIVALENTS	(347,715)
--	------------------

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

(including \$2,702,374 in restricted cash)	<u>16,439,958</u>
--	-------------------

CASH AND CASH EQUIVALENTS AT END OF YEAR

(including \$114,553 in restricted cash)	<u>\$ 16,092,243</u>
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The Accompanying Notes are an Integral Part of These Statements.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED DECEMBER 31, 2012**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

Operating Loss	\$ (2,949,017)	
Adjustments to Reconcile Loss From Operations to Net Cash Provided By Operating Activities:		
Depreciation	5,290,287	
Changes in Assets and Liabilities:		
Accounts Receivable	(29,789)	
Prepaid Expenses	(66,321)	
Accounts Payable	596,884	
Accrued Expenses	6,106	
Deferred Revenue	(16,776)	
Security Deposits	(242,035)	
Accrued Compensated Absences	<u>7,471</u>	
Net Cash Provided By Operating Activities		<u>\$ 2,596,810</u>

The Accompanying Notes are an Integral Part of These Statements.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity - Lafayette Regional Airport is a municipally owned, non-hub airport located on U. S. Highway 90 East in the City of Lafayette. The Airport provides passenger service through three regional carriers. The major source of revenue for the Airport is rentals on buildings, hangars, land, and terminal space.

The Lafayette Regional Airport is a component unit of the Consolidated Government of Lafayette, Louisiana (the Consolidated Government). The Airport constitutes a legal entity separate and apart from the Consolidated Government. The Airport is governed by a seven member, non-elected commission. Five members are appointed by the Lafayette Consolidated Government, one member is appointed by the Parish President, and one member is appointed by the mayors of the various municipalities surrounding Lafayette.

The financial information contained in these statements is only that of the Lafayette Regional Airport and includes all funds over which the Airport exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Basis of Presentation - The Lafayette Regional Airport, reported in these statements as a proprietary fund, prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 14 has defined the governmental reporting entity to be the Consolidated Government of Lafayette, Louisiana. The accompanying statements present only transactions of the Airport, a component unit of the Consolidated Government of Lafayette, Louisiana and have been prepared in conformity with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

Basis of Accounting - The Airport maintains its books and records using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The accounts of the Airport are in conformity with generally accepted accounting principles (GAAP). Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Equity Classifications – In the financial statements, equity is classified as net position and displayed in three components:

Invested in capital assets, net of related debt - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Revenues - Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Property and Equipment - Depreciation of all exhaustible fixed assets is charged as an expense against operations. Accumulated depreciation is reported on the Balance Sheet. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets are as follows:

	<u>Years</u>
Hangars and Buildings	10 - 30
Runways and Navigation Aids	10 - 20
Service Roads and Parking	10 - 20
Other Permanent Improvements	10 - 20
Equipment	3 - 10
Lease Purchase Equipment	5

Land and other capital improvements acquired by the Airport prior to October 31, 1971, are stated at replacement cost as of that date, as historical cost information was not maintained prior to this time. Land acquisitions, which occurred prior to October 31, 1971, are stated at an estimated replacement cost of \$4,834,560, which approximates \$2,600 per acre. All capital improvements acquired prior to this date are fully depreciated, and, as such, have no remaining book value at the balance sheet dates. All subsequent asset purchases are stated at cost. The Airport has a policy in place which requires the capitalization of all asset purchases of \$1,000 or greater. No asset values have been recorded for various improvements constructed by tenants at their own expense, which improvements will revert to the Airport at the expiration of the applicable leases.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Prepaid Items - Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items.

Restricted Assets - Proceeds from grant awards are classified as restricted assets on the Statement of Net Position because their use is limited to capital acquisition and construction. The Airport records the liability for acting as trustee for security and bid deposits.

Compensated Absences - Employees of the Airport earn annual leave in amounts from 8 to 12 hours per month based on years of service. Annual leave may be carried forward provided the amount carried forward does not exceed two years of an employee's earned annual leave. Unused annual leave (in excess of what can be carried forward) shall be used or surrendered. Upon termination, employees are paid for all accumulated annual leave. This policy resulted in an accrual for compensated absences of \$70,248 at December 31, 2012.

Sick leave is credited to all classified employees at the rate of eight hours per month. All unused sick leave is carried forward from year to year. No payments are due for such accumulated sick leave upon termination or retirement. Therefore, no liability has been accrued in these financial statements.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Airport considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Airport had no cash equivalents at December 31, 2012.

Investments - Under State law, the Airport may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost.

Custodial Credit Risk - Deposits and Investments - The Airport is exposed to custodial credit risk as it relates to their deposits and investments with financial institutions. The Airport's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Airport's name. Accordingly, the Airport had no custodial credit risk related to its deposits at December 31, 2012.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Post-Employment Benefits - As a component unit of the Consolidated Government of Lafayette, Louisiana, the Airport was required to implement GASB Statement No. 43 - Financial Reporting for Postemployment Benefit Plans Other Than Pensions for the year beginning January 1, 2006. The Airport does not offer any of these types of benefits to employees and therefore has no liability in relation to the implementation of the new statement.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impact of Recently Issued Accounting Principles - In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Airport's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Airport's financial statements.

(B) CASH AND INVESTMENTS

State laws authorize the government to invest in obligations of the U.S. Treasury, obligations guaranteed by the United States or any agency thereof, and bonds of this state or any subdivision of this state.

All bank balances of deposits and investments as of the Statement of Net Position date are entirely insured or collateralized by securities held by the government's agent in the government's name.

Investments consist of certificates of deposit with maturity dates of greater than one year. For the year ended December 31, 2012, the Airport held no investments in certificates of deposit.

Interest Rate Risk - As a means of limiting its exposure to fair-value losses arising from rising interest rates, the Airport's investment policy limits the investment portfolio to maturities of less than one year.

Credit Risk/Concentration of Credit Risk - Because all investments of the Airport are time certificates of deposit, there is no credit risk or concentration of credit risk.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(B) CASH AND INVESTMENTS - continued

Cash included in the Statement of Cash Flows at December 31 is as follows:

	2012	2011
Petty Cash	\$ 400	\$ 400
Operating Account	3,071,257	13,327,143
Operating Reserve	11,309,258	-
PFC Account	114,553	2,356,061
Terminal Development Funds Account	1,113,409	-
Reserve for Future Projects Account	-	410,041
Grant Account	483,366	346,313
Cash per Statement of Cash Flows	<u>\$ 16,092,243</u>	<u>\$ 16,439,958</u>

(C) AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Government in early fall and are actually billed to the taxpayers by the Assessor in October or November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Lafayette Parish Sheriff. The taxes are remitted to the Airport net of a deduction for Assessor's Pension Fund contributions.

That portion of the ad valorem taxes dedicated to operations and maintenance of the Airport was assessed to property owners in Lafayette Parish at 1.71 mills for 2012. On November 17, 2011, voters of Lafayette Parish approved renewal of the ad valorem tax through expiration of the tax in 2022.

(D) PASSENGER FACILITY CHARGE

During the 2008 fiscal year, the Airport submitted an application to the Federal Aviation Administration (FAA) to impose a Passenger Facility Charge (PFC) at the Lafayette Regional Airport. Approval of this application occurred in May 2008. The FAA approved the collection and use of PFC revenues for specific projects commencing August 1, 2008. Under the terms of the agreement with the FAA, the Airport is allowed to charge a \$4.50 PFC per passenger, to generate maximum net cumulative revenues of \$3,950,000. The FAA estimates that the charge expiration date will be May 1, 2012. The use of this revenue is restricted by the FAA for specific approved projects in the amount of \$3,950,000.

During the 2011 fiscal year, the Airport submitted an application to the Federal Aviation Administration (FAA) to impose a Passenger Facility Charge (PFC) at the Lafayette Regional Airport. Approval of this application occurred in April 2011. The FAA approved the collection and use of PFC revenues for specific projects commencing May 1, 2013. Under the terms of the agreement with the FAA, the Airport is allowed to charge a \$4.50 PFC per passenger, to generate maximum net cumulative revenues of \$1,965,000. The FAA estimates that the charge expiration date will be May 1, 2015. The use of this revenue is restricted by the FAA for specific approved projects in the amount of \$1,965,000.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(D) PASSENGER FACILITY CHARGE - continued

Additional projects to be funded by uncommitted PFC revenues will require FAA approval. The Airport has reserved a portion of its net position for undisbursed PFC revenues. PFC revenues available to fund the specific projects were \$114,553 at December 31, 2012. This amount is shown on the face of the Statement of Net Position as Restricted.

(E) RESTRICTED ASSETS

Assets required to be held and/or used as specified in bond resolutions, grant agreements, or other contractual agreements have been reported as Restricted Assets. Restricted Assets at December 31, 2012, consisted of the following:

	<u>Cash</u>
PFC Accounts	\$ 114,553
Total Restricted Assets	<u>\$ 114,553</u>

(F) GRANT FUNDS RECEIVABLE

The Airport is in the process of performing various airfield improvement projects with the assistance of federal and state funds. Grant funds receivable at December 31, 2012 consisted of the following:

State Department of Transportation	\$ 695,308
FAA - AIP Project 36	6,603
FAA - AIP Project 38	7,622
FAA - AIP Project 39	254,069
FAA - AIP Project 42	680,852
FAA - AIP Project 43	23,090
FAA - AIP Project 44	<u>507,251</u>
Total Grant Funds Receivable	<u>\$ 2,174,795</u>

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(G) PROPERTY AND EQUIPMENT

The following is a summary of changes in property and equipment:

	Beginning Balance 12/31/2011	Additions	Deletions	Ending Balance 12/31/2012
Hangers and Buildings	\$ 47,514,559	\$ 146,215	\$ -	\$ 47,660,774
Runways and Navigation Aids	56,516,528	16,655,743	-	73,172,271
Service Roads and Parking	6,177,022	724,273	-	6,901,295
Other Permanent Improvements	12,503,243	1,083,677	-	13,586,920
Equipment	5,989,952	160,494	-	6,150,446
Furniture and Fixtures	1,202,769	4,472	-	1,207,241
	<u>129,904,073</u>	<u>18,774,874</u>	<u>-</u>	<u>148,678,947</u>
Less: Accumulated Depreciation and Amortization	<u>(75,201,870)</u>	<u>(5,290,287)</u>	<u>-</u>	<u>(80,492,157)</u>
Net Property and Equipment	<u>\$ 54,702,203</u>	<u>\$ 13,484,587</u>	<u>\$ -</u>	<u>\$ 68,186,790</u>
Land	<u>\$ 5,491,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,491,076</u>
Construction Work in Progress	<u>\$ 25,936,995</u>	<u>\$ 16,461,777</u>	<u>\$ (19,849,354)</u>	<u>\$ 22,549,418</u>

Depreciation expense for the year ended December 31, 2012 was \$5,290,287.

(H) DEFINED BENEFIT PENSION PLAN

All full-time employees of Lafayette Regional Airport participate in the Parochial Employees' Retirement System (PERS) of Louisiana, a multiple-employer, cost-sharing public employee retirement plan that was established by the Louisiana Legislature as of January 1, 1953 by Act 205 of 1952. The PERS was revised by Act 765 of 1979. The payroll for Airport employees covered by the PERS for the year ended December 31, 2012, was \$1,051,780.

All full-time Airport employees who work at least 28 hours a week and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with ten years of service at age 60.

Benefit rates are one percent of final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) plus two (2) percent per month for each year of service credited prior to January 1, 1980, and three percent of final compensation for each year of service after January 1, 1980.

**LAFAYETTE REGIONAL AIRPORT
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OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(H) DEFINED BENEFIT PENSION PLAN - continued

The System also provides disability and survivor benefits. Benefits are established by State statute.

Covered employees are required to contribute 9.5 percent of their earnings to the plan. The Airport contributed 15.75 percent to the plan. The total contribution for the year ended December 31, 2012 was \$266,257, which consisted of \$166,337 from the Airport and \$99,920 from its employees. For the year ended December 31, 2011 the total contribution was \$254,345, which consisted of \$158,800 from the Airport and \$95,545 from its employees. For the year ended December 31, 2010 the total contribution was \$234,140, which consisted of \$146,047 from the Airport and \$88,093 from its employees. Contributions are also established by State statute.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers.

The total PERS pension benefit obligation was \$2,604,043,141 and the total PERS net assets available for benefits were \$2,344,047,017 as of December 31, 2011.

The PERS also publishes an annual financial report. The latest report for the year ended December 31, 2010 is available from Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898-4619.

(I) OPERATING LEASES

The Airport leases buildings, hangars, land and terminal space to a number of tenants. Due to the nature of those leases, they are all classified as operating leases. The following is a schedule by years of minimum future rentals on non-cancelable operating leases as of December 31, 2012:

Year Ending December 31

2013	\$	2,922,388
2014		2,668,366
2015		2,186,312
2016		2,052,410
2017		1,984,049
Thereafter		8,588,602
Total Minimum Future Rentals	\$	<u>20,402,127</u>

Certain rentals included above relate to tenants with scheduled annual CPI adjustments. Those annual adjustments could not be determined. Therefore, the 2013 rents were used for all years.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

(J) LONG-TERM DEBT

As of December 31, 2012, the Airport did not have any long-term debt obligations.

(K) RISK MANAGEMENT

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Airport is insured to reduce the exposure to these risks.

(L) COMMITMENTS

On a continuing basis, the Airport enters into construction contracts for improvements to the Airport. At December 31, 2012, there are several ongoing projects for which contracts have been entered and work is in progress. The majority of the costs of these projects are being funded by Airport Improvement Program Grants through the Federal Aviation Administration and the State of Louisiana, Department of Transportation as well through Passenger Facility Charge Programs.

SUPPLEMENTARY INFORMATION

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Administrative	General Maintenance	Contractual Services	Total
SALARIES AND COSTS OF EMPLOYMENT				
Salaries	\$ 693,817	\$ 380,076	\$ -	\$ 1,073,893
Payroll Taxes	15,437	-	-	15,437
Group Insurance	132,180	98,592	-	230,772
Worker's Comp	3,408	19,925	-	23,333
Retirement Contributions	107,248	59,089	-	166,337
Total Personal Services	<u>\$ 952,090</u>	<u>\$ 557,682</u>	<u>\$ -</u>	<u>\$ 1,509,772</u>
SUPPLIES				
Supplies and Minor Equipment	<u>\$ 52,586</u>	<u>\$ 21,190</u>	<u>\$ 9,782</u>	<u>\$ 83,558</u>
OTHER SERVICES AND CHARGES				
Advertising	\$ 376,415	\$ -	\$ -	\$ 376,415
Postage and Freight	7,268	-	-	7,268
Dues and Publications	38,482	-	-	38,482
ID Card System	1,929	-	-	1,929
Environmental Expenses	251,900	-	-	251,900
Fuel and Oil	100	52,937	24,695	77,732
Fly Lafayette Campaign/Public Relations	46,053	-	-	46,053
Grant Program Expenses	9,836	-	-	9,836
Insurance	155,038	164,891	-	319,929
Miscellaneous	858	-	-	858
Terminal Building Equipment Contract	-	-	82,983	82,983
Professional Fees	407,565	-	-	407,565
Repairs and Maintenance	99,618	150,070	61,929	311,617
Repairs and Maintenance-Leased Facilities	30,848	-	-	30,848
Telephone	32,900	26,795	-	59,695
Training	10,998	3,614	-	14,612
Travel	30,038	-	-	30,038
Uniforms	1,386	5,002	-	6,388
Utilities	-	317,941	-	317,941
Parking Fee Management	326,637	-	-	326,637
Obstruction Clearing	-	13,300	-	13,300
Contracted Services -				
Grounds Maintenance	-	65,225	-	65,225
Janitorial	-	-	244,197	244,197
ARFF Services	-	-	628,760	628,760
Security	-	-	751,032	751,032
Total Other Services and Charges	<u>\$ 1,827,869</u>	<u>\$ 799,775</u>	<u>\$ 1,793,596</u>	<u>\$ 4,421,240</u>

See Independent Auditors' Report.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Transportation			
Federal Aviation Administration			
Airport Improvement Projects	20.106 *	#36	102,630
		#38	7,788
		#39	411,442
		#40	7,836
		#41	21,127
		#42	4,287,146
		#43	2,842,104
		#44	<u>507,251</u>
			<u>\$ 8,187,324</u>

* - denotes a major program.

NOTE:

The above Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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TINA B. VIATOR, CPA

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Lafayette Regional Airport's basic financial statements, and have issued our report thereon dated April 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Regional Airport's internal control over financial reporting (internal control) to determine the audit as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette Regional Airport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is intended for the information and use of management and the Board of Commissioners of Lafayette Regional Airport, the Legislative Auditor of the State of Louisiana and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

April 19, 2013
Lafayette, Louisiana

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

Report on Compliance for Each Major Federal Program

M. TROY MOORE, CPA **
MICHAEL G. DEHART, CPA, CVA, MBA **
JOE D. HUTCHINSON, CPA **

We have audited the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the types of compliance requirements described in the OMB's *Circular A-133 Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended December 31, 2012. Lafayette Regional Airport's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

+RETIRED



Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lafayette Regional Airport's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lafayette Regional Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lafayette Regional Airport's compliance.

Opinion on Each Major Federal Program

In our opinion, Lafayette Regional Airport complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lafayette Regional Airport's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriated in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. This report is intended for the information of the management and Board of Commissioners of the Lafayette Regional Airport, the Legislative Auditor of the State of Louisiana, and the federal awarding agency and is not intended to be and should not be used by anyone other than those specified parties. Although the intended use of this report may be limited, reports issued in connection with an OMB Circular A-133 audit are a matter of public record.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and the major fund of the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Lafayette Regional Airport's basic financial statements. We issued our report thereon dated April 19, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

April 19, 2013
Lafayette, Louisiana

LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT OF LAFAYETTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

We have audited the financial statements of the Lafayette Regional Airport, a component unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended December 31, 2012, and have issued our report thereon dated April 19, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Our audit of the financial statements of December 31, 2012 resulted in an unqualified opinion.

Section I - Summary of Auditors' Results

A. FINANCIAL STATEMENTS

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Control Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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B. FEDERAL AWARDS

Major Program Identification

The Lafayette Regional Airport at December 31, 2012, had one major program: Department of Transportation: Federal Aviation Administration-Airport Improvement Projects: CFDA Number 20.106.

Low-Risk Auditee

The Lafayette Regional Airport is considered a low-risk auditee for the year ended December 31, 2012.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$8,187,192 for the year ended December 31, 2012.

Auditors' Report - Major Program

An unqualified opinion has been issued on the Lafayette Regional Airport's compliance for its major program as of and for the year ended December 31, 2012.

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012**

Control Deficiencies - Major Program

There were no control deficiencies noted during the audit of the major federal program.

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its federal program.

Section II - Financial Statement Findings

There were no control deficiencies or instances of material noncompliance noted during the audit.

Section III - Federal Award Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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To the Board of Commissioners
Lafayette Airport Commission
Lafayette, Louisiana

Report on Compliance for the Passenger Facility Charge Program

We have audited the Lafayette Regional Airport, A Component Unit of the Consolidated Government of Lafayette, Louisiana's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended December 31, 2012. Lafayette Regional Airport's passenger facility charge program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Lafayette Regional Airport's passenger facility programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Lafayette Regional Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of Lafayette Regional Airport's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, Lafayette Regional Airport complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Lafayette Regional Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lafayette Regional Airport's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriated in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Regional Airport's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. This report is intended for the information of the management and Board of Commissioners of the Lafayette Regional Airport, the Federal Aviation Administration and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

***Wright, Moore, DeHart,
Dupuis & Hutchinson***

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

April 19, 2013
Lafayette, Louisiana

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Beginning Program Total</u>	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Ending Program Total</u>
Revenue:						
Collections	\$ 9,246,408	\$ 228,881	\$ 247,568	\$ 266,450	\$ 196,593	\$ 10,185,900
Interest	<u>487,903</u>	<u>351</u>	<u>1,378</u>	<u>2,863</u>	<u>1,213</u>	<u>493,708</u>
Total Revenue	<u>9,734,311</u>	<u>229,232</u>	<u>248,946</u>	<u>269,313</u>	<u>197,806</u>	<u>10,679,608</u>
Disbursements:						
Application 95-01-C-03-LFT (Closed)	<u>933,024</u>	-	-	-	-	<u>933,024</u>
Application 98-02-U-00-LFT (Closed)	<u>150,000</u>	-	-	-	-	<u>150,000</u>
Application 01-03-C-00-LFT (Closed)	<u>2,273,692</u>	-	-	-	-	<u>2,273,692</u>
Application 05-04-C-00-LFT (Closed)	<u>2,677,464</u>	-	-	-	-	<u>2,677,464</u>
Application 06-05-C-00-LFT (Closed)	<u>756,165</u>	-	-	-	-	<u>756,165</u>
Application 08-06-C-00-LFT:						
Project 1-Airport Security System Upgrade	335,227	434,696	1,133,568	889,457	454,216	3,247,164
Project 2 - Replace PAPIs-Runways	138,990	-	-	-	-	138,990
Project 3 - Administrative Costs	<u>16,743</u>	<u>835</u>	<u>1,455</u>	<u>5,456</u>	-	<u>24,489</u>
Total Application 08-06-C-00-LFT	<u>490,960</u>	<u>435,531</u>	<u>1,135,023</u>	<u>894,913</u>	<u>454,216</u>	<u>3,410,643</u>
Application 11-07-C-00-LFT:						
Project 1- Passenger Boarding Bridge	92,067	7,853	4,580	22,392	227,910	354,802
Project 2 - Administrative Costs	<u>4,879</u>	<u>2,053</u>	<u>979</u>	<u>1,225</u>	<u>129</u>	<u>9,265</u>
Total Application 11-07-C-00-LFT	<u>96,946</u>	<u>9,906</u>	<u>5,559</u>	<u>23,617</u>	<u>228,039</u>	<u>364,067</u>
Total Disbursements	<u>7,378,251</u>	<u>445,437</u>	<u>1,140,582</u>	<u>918,530</u>	<u>682,255</u>	<u>10,565,055</u>
Net PFC Revenue	-	(216,205)	(891,636)	(649,217)	(484,449)	-
PFC Account Balance	<u>\$ 2,356,060</u>	<u>\$ 2,139,855</u>	<u>\$ 1,248,219</u>	<u>\$ 599,002</u>	<u>\$ 114,553</u>	<u>\$ 114,553</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting - The above schedule was prepared on an accrual basis of accounting.

See Independent Auditors' Report.

**LAFAYETTE REGIONAL AIRPORT
PASSENGER FACILITY CHARGE PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

A. SUMMARY OF AUDIT RESULTS

1. No material weaknesses were identified during the audit of the passenger facility charge program.
2. The auditors' report on compliance for the passenger facility charge program expresses an unqualified opinion.
3. There were no audit findings related to the passenger facility charge program.

B. FINDINGS AND QUESTIONED COSTS

NONE

**LAFAYETTE REGIONAL AIRPORT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**Passenger Facility Charges Program Audit Summary
YEAR ENDED DECEMBER 31, 2012**

- | | | |
|--|--------------------------|-----------------------|
| 1. Type of report issued on PFC financial statements. | <u> X </u> Unqualified | <u> </u> Qualified |
| 2. Type of report on PFC compliance. | <u> X </u> Unqualified | <u> </u> Qualified |
| 3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts. | <u> X </u> Yes | <u> </u> No |
| 4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127. | <u> X </u> Yes | <u> </u> No |
| 5. The Public Agency maintains a separate financial accounting record for each application. | <u> X </u> Yes | <u> </u> No |
| 6. Funds disbursed were for PFC eligible items as identified in the FAA Decision to pay only for the allowable costs of the projects. | <u> X </u> Yes | <u> </u> No. |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports. | <u> X </u> Yes | <u> </u> No |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <u> X </u> Yes | <u> </u> No |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA. | <u> X </u> Yes | <u> </u> No. |
| 10. Quarterly Reports were transmitted (or available via website) to remitting carriers. | <u> X </u> Yes | <u> </u> No |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8. | <u> X </u> Yes | <u> </u> No |
| 12. Project design and implementation is carried out in accordance with Assurance 9. | <u> X </u> Yes | <u> </u> No |
| 13. Program administration is carried out in accordance with Assurance 10. | <u> X </u> Yes | <u> </u> No |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence. | <u> </u> Yes | <u> </u> No |
| | <u> X </u> N/A | |